

From: Harper, Sara
Sent: Thursday, May 26, 2005 3:01 PM
To: Petre, Lori; 'Abraham, Dave'; 'Adams, Linda'; Azzi, Richard; 'Baer, Jeanine'; 'Boisseau, Michael'; Butler, Barbara; 'Carter, Susan'; 'Castaneda, Anna'; 'Cathers, Alexia'; 'Cisney, Leland'; 'Claus, Robin'; 'Cook, Paula'; 'Cummings, Scott'; 'Davis, D'; 'Ditomma, J'; 'Ducharme, Becky'; Fields, Rebecca; 'Fizer, Pat'; 'Flynn, Mike'; 'Foster, Mitchell'; 'Fraizer, Adian'; Fruitman, Cecilia; 'Gardner, David'; 'Gaskill, Karen'; 'Gonzalez, Marcella'; 'Gray, Jerri'; 'Gurule, Colleen'; 'Harmon, Jeanne'; 'Hays, Jen'; 'Heise, Brian'; 'Hydrick, Pam'; 'liles, Steven'; 'Jackson Smith, Cathy'; 'Jones, Melanee'; 'Jordan, Garell'; 'Kahler, Mary'; 'Kennedy, K'; 'Klimansky, Mike'; Kradle, Karen; Lambert, Dora; 'LeBlanc, Marsha'; 'Lucas, Greg'; 'Major, CJ'; 'moore, schemell'; Murray, John; 'Nash, Janet'; 'Oestreich, Kathy'; 'Owens, Lori'; 'Palmer, Grace'; 'Petre, Lori'; Price, Kari; Ratterree, Brent; 'Reininger, Brenda'; Renkel, Mark; 'Renew, Charles'; 'Rodgers, Crystal'; 'Sigel, Deena'; Skjoldal, Brian; 'Soderberg, David'; 'Speicher, Susan'; 'Steiner, Kathy'; 'Thurman, Kathy'; 'Tibbs, Rob'; 'Toland, Joan'; 'Uchirin, Mike'; Upchurch, Mike; 'Valentino, John'; 'Warner, Jean-marie'; Westlake, Kyra; 'Williams, Major'; 'Wilson, Sonia'; 'Woo, Herb'; 'Worth, Amanda'; 'Wright, Vanessa'; 'Zamora, Sharon'
Subject: Outpatient Hospital Fee Schedule - Final

Attached is the Final FFS Outpatient Hospital Fee Schedule for dates on and after 7/1/05. (Note: coverage codes for each procedure will validate coverage parameters based on date of service. And, services must be billed with appropriate codes as per billing guidelines (FFS Provider Manual, and/or Contract), and revenue code/HCCPS code requirements.)

In the aggregate, this final outpatient hospital fee schedule is estimated to increase AHCCCS aggregate hospital payments by approximately 6.7%. Changes to the outpatient fee schedule since the draft February 2005 version, based on comments from hospitals, CMS and internal review include:

- ☐ Laboratory rates must be capped at the Medicare rate. Peer group adjusters do not apply to laboratory services.
- ☐ Peer group adjusters (see tab on fee schedule worksheet).
- ☐ Fee schedule rates were inflated to 3/31/2006 (midpoint to 10/1/06).
- ☐ AHCCCS based fees/rates set at 116% of the median cost.
- ☐ Codes paid at non-hospital physician fee schedule rate are based on rates effective 5/1/05.
- ☐ Surgery and ED bundling logic based on Medicare OPPS 2005 criteria, with some exceptions.
- ☐ The default CCR for covered outpatient hospital services billed appropriately that are not listed on this fee schedule is .3192.

This spreadsheet has 4 tabs: ED, Surgery, Other, and Peer Groups:

- ☐ ED tab provides the 100% base rate for all 5 ED codes, as well as providing the hi-end ED rates (99283, 99284, 99285) for the Level 1 trauma centers for each of the peer groups to clarify the application of the peer group adjuster plus the trauma code adjuster. Note: based on system calculations, there may be penny rounding issues;
- ☐ Surgery tab provides all procedures that trigger surgery bundling;
- ☐ All Other tab provides 100% base rate for all other services; and
- ☐ Peer Groups tab lists peer group adjustments

This final fee schedule was updated in response to collaborative efforts with hospitals and Contractors in Arizona, as well as federal and state regulatory requirements.

The FFS Provider Manual will be distributed on Friday, May 27, 2005.

The Final Rule for the outpatient hospital fee schedule was updated to clarify that laboratory service rates will not be increased by the peer group adjusters. (The words “except for laboratory services” were added to R9-22-712.35(A)). Language regarding the laboratory service rate caps was included in the methodology section of the rule, and this update adds it to the peer group adjuster section of the rule for clarification.

We appreciate the efforts of all that have contributed to this process.
Thank you!



May 25 Outpatient
Fee Schedule...

Sara Harper
Reimbursement Manager, DHCM